GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4716
ANSWERED ON:25.04.2000
ANOMALIES IN EXCISE DUTY
BHERU LAL MEENA

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the pesticides industry is passing through a period of crisis due to anomalies in the excise duty law and indifference of the Government towards it;

(b) if so, whether the dominance of the multi-national companies is resulting in the closure of two hundred such units and the rest of them are on the verge of closure;

(c) if so, the details in this regard; and

(d) the steps being taken by the Government to boost the pesticides industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI RAMESH BAIS)

(a): Prior to the Union Budget of 2000-01, based on circulars issued bythe CBDT, different levels of excise duty were applicable to technical pesticides and formulations. The pesticides industry had been representing for uniform excise duty of 8% on both technical pesticides & their formulations. In the Union Budget, 2000-01, a uniform Excise Duty of 16% has been levied on pesticides.

(b) & (c) : The share of domestic Companies in the pesticides industry is substantial. While the reasons for sickness and closure could be manifold, no report has been received regarding the closure of pesticides units due to dominance of the multi-national companies in this sector.

(d) : Steps taken to boost the pesticides industry include, inter-alia, delicensing, simplification of registration procedures and strengthening of institutional infrastructure for providing technical assistance.